

MINUTES

MONTANA SENATE 57th LEGISLATURE - SPECIAL SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIR DON HARGROVE**, on August 6, 2002 at 1:00 P.M., in Room 303 Capitol.

ROLL CALL

Members Present:

Sen. Don Hargrove, Chair (R)
Sen. Edward Butcher (R)
Sen. Jim Elliott (D)
Sen. Eve Franklin (D)
Sen. Fred Thomas (R)
Sen. Ken Toole (D)

Members Excused: Sen. John C. Bohlinger, Vice Chair (R)
Sen. Pete Ekegren (R)

Members Absent: None.

Staff Present: Mary Vandembosch, Legislative Branch
Mary Gay Wells, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SR3, 8/3/2002
Executive Action:

{Tape : 1; Side : A; Approx. Time Counter : 0}

HEARING ON SR 3

CONFIRMATION HEARING FOR WENDY KEATING AS COMMISSIONER
FOR LABOR AND INDUSTRY

Proponents:

Governor Judy Martz, State of Montana
Mike Foster, Policy Director, Governor's Office
Kevin Braun, Helena

Opponents: None

CHAIR DON HARGROVE called the hearing to order and invited **Ms. Wendy Keating** to introduce herself to the committee.

Ms. Keating has been with the Labor and Industry Department for 33 years. She has been involved in most aspects of the Dept. and has great interest in those who work for the Department and for those they serve in the State of Montana. For the first 26 years, she worked for the Job Service Division which is now called the Workforce Services Division. She spent many of those years managing local offices in the Billings area. In 1996, she became Administrator of the Division for 5 1/2 years. During that time she led an initiative to restructure and refocus the entire job service system. The service became more customer oriented. They focused on businesses and developing business resources. The result of this initiative was that the Division received national and international recognition and awards. Two months ago, the U.S. Dept. of Labor issued a directive to all the states in the nation to look at their customer services to see if they were following the lead of Montana.

The Dept. is both a service agency and a regulation agency. She has enjoyed working with the service agency and the customers that they served but has come to realize that rules and regulations are equally customer focused. She has hired three of the five administrators in the Dept. and all are extremely responsive and open to change and are committed to the concept of improving customer service. She herself is committed to that concept and will work to have the whole Dept. continue in that vein. Her goals include economic development for the state. The Dept. will continue to work closely with the communities in cooperative efforts to that end.

The Dept. will also work closely with the education of the workforce and be responsive to the needs of the business community. She sees a worker shortage crisis facing Montana. This is a huge responsibility for the Dept. to help businesses overcome this crisis. The Dept. needs to develop potential leaders and prepare the staff to be good public servants to carry out the wishes of the Legislature in the future. With the budget crisis, the Dept. needs to use the resources that are already available to them. She thanked the committee for their time and attention.

Proponents' Testimony:

Governor Judy Martz spoke on behalf of **Ms. Keating**. She knows **Ms. Keating** is an excellent choice for the Commissioner of the Dept. of Labor and Industry. The Dept. does a tremendous amount of work. Each person there is committed to the people they serve in the workforce development and the Dept. showed a quick response to ASARCO when there were layoffs. They let them know what the state could offer in the way of education to get them into another workforce development arena. Most of the boards and commissions are under this Dept. Furthermore, **Ms. Keating** is well organized and works well with everyone. She is honorable, trustworthy, knowledgeable and will be an outstanding Commissioner.

Mike Foster, Policy Director, Governor's Office. He, himself, had been Commissioner of Labor and Industry before he moved to the Governor's Office. He confidently recommended **Ms. Keating** to be the new Commissioner. She is personable, bright, concerned and ambitious in doing the right things for the Dept. and for those they serve. He urged the committee for a Do Pass on the confirmation.

Kevin Braun, Helena. He is in favor of the appointment of **Ms. Keating** as Commissioner of Labor and Industry. He has worked with her for the past ten years and knows that she is a person of integrity. She has earned the respect of the leadership team of the Dept. and is capable of doing a great job. She has been recognized at the national level for her leadership abilities. She transformed the job service division from the 50's into today's modern agency that provides a full range of customer service to employers and employees alike. It has been a wonderful transformation. He further stated that she espouses the philosophy of government serving the public. He urged a vote for confirmation.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. KEN TOOLE asked for comments on the aging workforce. **Ms. Keating** said that the research and analysis of this issue has projected some very good numbers. Statistically, in looking at per capita, Montana has one of the oldest populations in the country. She said that as they see the "baby boomers" retiring, the younger population is not sufficient to fill those positions. The Dept. needs to work pro-actively on this issue.

CHAIR HARGROVE commented that with the budget problems facing the state at this time, how would the Dept. fit into a renewal of prosperity for Montana. **Ms. Keating** responded that the Dept. must recognize the upcoming needs of businesses and through that knowledge work with the education system. Their opportunity is to provide leadership to state government and assist other agencies to better serve economic development activities. They need to make sure that resources are maximized, priorities are recognized and focus on business skills of workers that have more value because of shortages.

CHAIR HARGROVE asked if more efficient ways have been looked at in this budget crisis. **Ms. Keating** assured the committee that they are looking at their resources and will focus on this issue.

SEN. ED BUTCHER complimented **Ms. Keating** on the one-stop-shop feature that has been well received by the residents of Montana. He asked if the Dept. was looking at the secondary education students to see if they could be trained for marketable skills. **Ms. Keating** replied that there is a great deal of activity going on between education and the workforce system to do exactly that.

SEN. BUTCHER asked if the school-to-work program was really going to be able to train students for the business world. **Ms. Keating** felt that it is a good program and would get some students out into the apprenticeship field.

CHAIR HARGROVE offered **Ms. Keating** the opportunity for any closing comments.

Ms. Keating thanked the committee for their time and attention.

ADJOURNMENT

Adjournment: 1:35 P.M.

SEN. DON HARGROVE, Chair

MARY GAY WELLS, Secretary

DH/MGW

EXHIBIT(sts02aad)